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DOB 12-22-04
112358

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2004-357-W/S

RECEIVED
PUBLIC SERVICE COMMISSION
SOUTH CAROLINA
NOV 17 2004

IN RE:

Application of Carolina Water Service,
Inc. for adjustment of rates and charges
and modification of certain terms and
conditions for the provision of water and
sewer service.

APPLICATION

Carolina Water Service, Inc. ("Applicant" or "Company") would respectfully show unto, and
request of, the Commission as follows:

BACKGROUND

1. Applicant is a corporation organized and existing under the laws of the State of Delaware and authorized to do business in the State of South Carolina.
2. Applicant is a public utility, as defined by S.C. Code Ann. § 58-5-10(3) (Supp. 2003), providing water and sewer service to the public for compensation in certain areas of South Carolina pursuant to rates approved by the Commission in Docket No. 2000-207-W/S.
3. All communications or inquiries regarding this Application should be directed as set forth below:

a. **Applicant's Representative:**

Mr. Steven M. Lubertozzi
Vice President
Regulatory Matters
Utilities, Inc.
2335 Sanders Road
Northbrook, Illinois 60062-6196

b. **Legal Counsel:**

John M. S. Hoefer, Esquire
Willoughby & Hoefer, P.A.
Post Office Box 8416
Columbia, South Carolina 29202-8416
(803) 252-3300

REQUEST FOR RATE RELIEF AND RATE SCHEDULE MODIFICATIONS

4. Pursuant to S.C. Code Ann. § 58-5-240 (Supp. 2003) and 26 S.C. Code Ann. Regs. RR. 103-712.4.A (1976, as amended) and 103-512.4.A (Supp. 2003), Applicant requests that the Commission approve an increase in its monthly water and sewer service charges as set forth in the eight (8) page rate schedule attached hereto and incorporated herein by this reference as Exhibit "A". Also, pursuant to R. 103-703 and 26 S.C. Code Ann. Regs. R. 103-503 (1976), Applicant proposes a modification to the terms and conditions under which a tenant will be billed for water and sewer services to comport with current S.C. Code Ann. §27-33-50 (Supp. 2003), as same may be amended in the future. Finally, pursuant to 26 S.C. Code Ann. Regs. R. 103-703 (1976), Applicant proposes to add language requiring its water customers to conduct cross connection testing, and to add a charge for same if such inspections are undertaken by Applicant, to meet the requirements of 24A S.C. Code Ann. Regs. R. 61-58.7.F.8.

SUPPORTING DOCUMENTATION

5. Applicant proposes a test year of July 1, 2003 to June 30, 2004 and has prepared certain financial statements relating to that time period in support of the Application, which statements are attached hereto and incorporated herein by this reference as Exhibit "B", pages 1 through 10. These financial statements include the following:

- a. Balance Sheet (Schedule A),
- b. Current and pro forma income and expense statements (Schedule B), and
- c. Rate base and resulting rate of return calculations based upon proposed rates (Schedule C).¹

Applicant also submits, as Exhibit “B” pages 11 through 15, the following information in support of the Application:

- d. Water and sewer consumption analyses (Schedule D)
 - e. Water and sewer proposed revenues (Schedule E)
 - f. Schedule of current and projected customers (Schedule F)
6. Attached hereto and incorporated herein by this reference as Exhibit “C” are the most recent approval letters from the South Carolina Department of Health and Environmental Control (“DHEC”).
7. Attached hereto and incorporated herein by this reference as Exhibit “D” is the Company’s current customer bill form.
8. There is on file with this Commission a performance bond given to satisfy the requirements of S.C. Code Ann. § 58-5-720 (Supp. 2000).
9. A map depicting Applicant’s current service area is on file with the Commission.
10. The financial statements, the other documents submitted herewith, and the references to documents on file with the Commission are offered to comply with Commission Rules R.103-

¹These calculations are for informational purposes only as Applicant will submit evidence with respect to proper returns on equity and rate base at hearing.

512.4 and R. 103-712.4 and to provide information useful to the Commission in considering the reasonableness of the proposed rate schedule.²

NEED AND JUSTIFICATION FOR RATE RELIEF AND RATE SCHEDULE MODIFICATIONS

11. Applicant submits that the proposed water and sewer rate increases are necessary in order that it may provide reasonable and adequate service to its customers. The rates proposed are also necessary to comply with standards and regulations set by DHEC and other governmental agencies which regulate the environmental aspects of Applicant's business. Applicant further submits that the proposed rates are necessary to enable it to earn a reasonable return on its investment and to attract capital for future improvements. Said rates will preserve the financial integrity of the Applicant, promote continued investment in and maintenance of its facilities, and thereby permit Applicant to continue providing reliable and high quality water and sewer services. The proposed rate schedule modifications are needed (a) to recognize provisions of law and regulation, enacted or promulgated since Applicant's last rate case, directly pertaining to the services provided by Applicant and (b) to provide reasonable methods by which Applicant may recover the costs of compliance with such laws and regulation in the event that the responsible person(s) fail to do so.

REQUEST FOR RATE BASE TREATMENT

12. Applicant further submits that given its substantial plant investment, and specifically the rate base reflected on Schedule C of Exhibit "B", Applicant is entitled to have the reasonableness

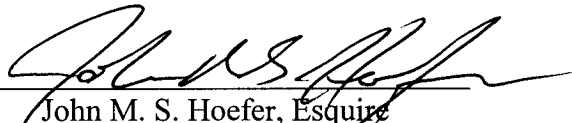
²Because Applicant utilizes a composite depreciation rate of 1 ½%, no depreciation schedule by categories of plant or average service lives exists. The Applicant will, of course, make available during the audit in this case copies of the Company's depreciation workpapers.

of its proposed rates determined in accordance with the rate of return on rate base methodology. Accordingly, Applicant requests rate base treatment in this proceeding.

WHEREFORE, having fully set forth its Application, Carolina Water Service, Inc. prays that the Commission approve the rates proposed and grant to Applicant such other and further relief as the Commission may deem just and proper.

Respectfully submitted,

WILLOUGHBY & HOEFER, P.A.

By: 
John M. S. Hoefer, Esquire
Willoughby & Hoefer, P.A.
Post Office Box 8416
Columbia, SC 29202-8416
(803) 252-3300

Attorneys for Carolina Water Service, Inc.

Columbia, South Carolina
This 17th day of December, 2004.

EXHIBIT A

CAROLINA WATER SERVICE, INC.

PROPOSED SCHEDULE OF RATES AND CHARGES

WATER

1. Monthly Charges

Residential

Base Facilities Charge per single family house, condominium, mobile home or apartment unit:

\$10.25 per unit

Commodity Charge:

\$3.32 per 1,000 gallons or 134 cft

Commercial

Base Facilities Charge by meter size:

5/8" meter	\$10.25
1" °	\$25.62
1.5" °	\$51.25
2" °	\$82.00
3" °	\$164.00
4" °	\$256.25

Commodity Charge:

\$3.32 per 1,000 gallons or 134 cft

Charges for Water Distribution Only

Where water is purchased from a government body or agency or other entity for distribution and resale by the Company, the following rates apply:

Residential

Base Facilities Charge per single family house, condominium, mobile home or apartment unit:

\$10.25 per unit

Commodity charge:

\$1.90 per 1,000 gallons or 134 cft

Commercial

Base Facilities Charge
by meter size:

5/8" meter		\$10.25
1"	°	\$25.62
1.5"	°	\$51.25
2"	°	\$82.00
3"	°	\$164.00
4"	°	\$256.25

Commodity charge: \$1.90 per 1,000
gallons or 134 cft

The Utility will also charge for the cost of water purchased from the government body or agency, or other entity. The charges imposed or charged by the government body or agency, or other entity providing the water supply will be charged to the Utility's affected customers on a pro rata basis without markup. Where the Utility is required by regulatory authority with jurisdiction over the Utility to interconnect to the water supply system of a government body or agency or other entity and tap/connection/impact fees are imposed by that entity, such tap/connection/impact fees will also be charged to the Utility's affected customers on a pro rata basis, without markup.

Commercial customers are those not included in the residential category above and include, but are not limited to hotels, stores, restaurants, offices, industry, etc.

The Utility will, for the convenience of the owner, bill a tenant in a multi-unit building, consisting of four or more residential units (or in such other circumstances as the law may allow from time to time), which is served by a master water meter or a single water connection. However, in such cases all arrearages must be satisfied before service will be provided to a new tenant or before interrupted service will be restored. Failure of an owner to pay for services rendered to a tenant in these circumstances may result in service interruptions.

When, because of the method of water line installation utilized by the developer or owner, it is impractical to meter each unit separately, service will be provided through a single meter, and consumption of all units will be averaged; a bill will be calculated based on that average and the result multiplied by the number of units served by a single meter.

2. Nonrecurring Charges

A) Water Service Connection (New connections only)	\$300 per SFE*
B) Plant Impact Fee (New connections only)	\$400 per SFE*

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3. Account Set-Up and Reconnection Charges

- a. Customer Account Charge - for new customers only.

All Areas

\$ 13.50

b. Reconnection Charges: In addition to any other charges that may be due, a reconnection fee of thirty five dollars (\$35.00) shall be due prior to the Utility reconnecting service which has been disconnected for any reason set forth in Commission Rule R.103-732.5. Customers who ask to be reconnected within nine months of disconnection will be charged the monthly base facility charge for the service period they were disconnected. The reconnection fee shall also be due prior to reconnection if water service has been disconnected at the request of the customer.

4. Billing Cycle

Recurring charges will be billed monthly in arrears. Nonrecurring charges will be billed and collected in advance of service being provided.

5. Extension of Utility Service Lines and Mains

The Utility shall have no obligation at its expense to extend its utility service lines or mains in order to permit any customer to connect to its water system. However, anyone or any entity which is willing to pay all costs associated with extending an appropriately sized and constructed main or utility service line from his/her/its premises to any appropriate connection point, to pay the appropriate fees and charges set forth in this rate schedule, and comply with the guidelines and standards hereof, shall not be denied service, unless water supply is unavailable or unless the South Carolina Department of Health and Environmental Control or other government entity has restricted the Utility from adding for any reason additional customers to the serving water system. In no event will the Utility be required to construct additional water supply capacity to serve any customer or entity without an agreement acceptable to the Utility first having been reached for the payment of all costs associated with adding water supply capacity to the affected water system.

6. Cross Connection Inspection Fee

Any customer installing, permitting to be installed, or maintaining any cross connection between the Utility's water system and any other non-public water system, sewer or a line from any container of liquids or other substances, must install an approved back-flow prevention device in accordance with 24A S.C. Code Ann. Regs. R.61-58.7.F.2 (Supp. 2003), as may be amended from time to time. Such a customer shall annually have such cross connection inspected by a licensed certified tester and provide to Utility a copy of a written inspection report and testing results submitted by the certified tester in accordance with 24A S.C. Code

Ann. Regs. R.61—58.7.F.8.(Supp. 2003), as may be amended from time to time. Said report and results must be provided by the customer to the Utility no later than June 30th of each year. Should a customer subject to these requirements fail to timely provide such report and results, Utility may arrange for inspection and testing by a licensed certified tester and add the charges incurred by the Utility in that regard to the customer's next bill.

- * A Single Family Equivalent (SFE) shall be determined by using the South Carolina Department of Environmental Control Guidelines for Unit Contributory Loadings for Domestic Wastewater Treatment Facilities -- 25 S.C. Code Ann. Regs. 61-67 Appendix A (Supp. 2003), as may be amended from time to time. Where applicable, such guidelines shall be used for determination of the appropriate monthly service and tap fee.

SCHEDULE OF RATES AND CHARGES

SEWER

1. Monthly Charges

Residential - charge per single-family house, condominium, villa, or apartment unit:	\$40.92 per unit
Mobile Homes:	\$29.20 per unit
Commercial:	\$40.92 per SFE*

Commercial customers are those not included in the residential category above and include, but are not limited to, hotels, stores, restaurants, offices, industry, etc.

Charge for Sewer Collection Only

When sewage is collected by the Utility and transferred to a government body or agency, or other entity, for treatment, the Utility's rates are as follows:

Residential - per single-family house, condominium, or apartment unit	\$26.15 per unit
Commercial - per single-family equivalent	\$26.15 per SFE*

The Utility will also charge for treatment services provided by the government body or agency, or other entity. The rates imposed or charged by the government body or agency, or other, entity providing treatment will be charged to the Utility's affected customers on a pro rata basis, without markup. Where the Utility is required under the terms of a 201/208 Plan, or by other regulatory authority with jurisdiction over the Utility, to interconnect to the sewage treatment system of a government body or agency or other entity and tap/connection/impact fees are imposed by that entity, such tap/connection/impact fees will be charged to the Utility's affected customers on a pro rata basis, without markup.

The Utility will, for the convenience of the owner, bill a tenant in a multi-unit building, consisting of four or more residential units (or in such other circumstances as the law may allow from time to time), which is served by a master sewer meter or a single sewer connection. However, in such cases all arrearages must be satisfied before service will be provided to a new tenant or before interrupted service will be restored. Failure of an owner to pay for services rendered to a tenant in these circumstances may result in service interruptions.

Solids Interceptor Tanks

For all customers receiving sewage collection service through an approved solids interceptor tank, the following additional charges shall apply:

A. Pumping Charge

At such time as the Utility determines through its inspection that excessive solids have accumulated in the interceptor tank, the Utility will arrange for pumping the tank and will include \$150.00 as a separate item in the next regular billing to the customer.

B. Pump Repair or Replacement Charge

If a separate pump is required to transport the customer's sewage from solids interceptor tank to the Utility's sewage collection system, the Utility will arrange to have this pump repaired or replaced as required and will include the cost of such repair or replacement and may be paid for over a one year period.

C. Visual Inspection Port

In order for a customer who uses a solids interceptor tank to receive sewage service from the Utility or to continue to receive such service, the customer shall install at the customer's expense a visual inspection port which will allow for observation of the contents of the solids interceptor tank and extraction of test samples therefrom. Failure to provide such a visual inspection port after timely notice of not less than thirty (30) days shall be just cause for interruption of service until a visual inspection port has been installed.

2. Nonrecurring Charges

- | | |
|--|----------------|
| A) Sewer Service Connection (New connections only) | \$300 per SFE* |
| B) Plant Impact Fee (New connections only) | \$400 per SFE* |

The nonrecurring charges listed above are minimum charges and apply even if the equivalency rating of a non residential customer is less than one (1). If the equivalency rating of a non residential customer is greater than one (1), then the

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proper charge may be obtained by multiplying the equivalency rating by the appropriate fee. These charges apply and are due at the time new service is applied for, or at the time connection to the sewer system is requested.

3. Notification, Account Set-Up and Reconnection Charges

a. Notification Fee

A fee of four dollars (\$4.00) shall be charged each customer to whom the Utility mails the notice as required by Commission Rule R. 103-535.1 prior to service being discontinued. This fee assesses a portion of the clerical and mailing costs of such notices to the customers creating the cost.

b. Customer Account Charge - for new customers only.

All Areas	\$ 13.50
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A one-time fee to defray the costs of initiating service. This charge will be waived if the customer also takes water service.

c. Reconnection Charges: In addition to any other charges that may be due, a reconnection fee of two hundred fifty dollars (\$250.00) shall be due prior to the Utility reconnecting service which has been disconnected for any reason set forth in Commission Rule R.103-532.4. Where an elder valve has been previously installed, a reconnection charge of thirty-five dollars (\$35.00) shall be due. Customers who ask to be reconnected within nine months of disconnection will be charged the monthly service charge for the service period they were disconnected.

4. Billing Cycle

Recurring charges will be billed monthly, in arrears. Nonrecurring charges will be billed and collected in advance of service being provided.

5. Toxic and Pretreatment Effluent Guidelines

The Utility will not accept or treat any substance or material that has been defined by the United States Environmental Protection Agency ("EPA") or the South Carolina Department of Environmental Control ("DHEC") as a toxic pollutant, hazardous waste, or hazardous substance, including pollutants falling within the provisions of 40 CFR 129.4 and 401.15. Additionally, pollutants or pollutant properties subject to 40 CFR 403.5 and 403.6 are to be processed according to the pretreatment standards applicable to such pollutants or pollutant properties, and such standards constitute

the Utility's minimum pretreatment standards. Any person or entity introducing any such prohibited or untreated materials into the Company's sewer system may have service interrupted without notice until such discharges cease, and shall be liable to the Utility for all damages and costs, including reasonable attorney's fees, incurred by the Utility as a result thereof.

6. Extension of Utility Service Lines and Mains

The Utility shall have no obligation at its expense to extend its utility service lines or mains in order to permit any customer to discharge acceptable wastewater into one of its sewer systems. However, anyone or any entity which is willing to pay all costs associated with extending an appropriately sized and constructed main or utility service line from his/her/its premises to an appropriate connection point, to pay the appropriate fees and charges set forth in this rate schedule and to comply with the guidelines and standards hereof, shall not be denied service, unless treatment capacity is unavailable or unless the South Carolina Department of Health and Environmental Control or other government entity has restricted the Utility from adding for any reason additional customers to the serving sewer system.

In no event will the Utility be required to construct additional wastewater treatment capacity to serve any customer or entity without an agreement acceptable to the Utility first having been reached for the payment of all costs associated with adding wastewater treatment capacity to the affected sewer system.

* A Single Family Equivalent (SFE) shall be determined by using the South Carolina Department of Environmental Control Guidelines for Unit Contributory Loading for Domestic Wastewater Treatment Facilities --25 S.C. Code Ann. Regs. 61-67 Appendix A (Supp. 2003), as may be amended from time to time. Where applicable, such guidelines shall be used for determination of the appropriate monthly service and tap fee.

Carolina Water Service of South Carolina
BALANCE SHEET
JUNE 30, 2004

Schedule A

<u>ASSETS</u>		<u>LIABILITIES AND OTHER CREDITS</u>	
		=====	
Plant In Service	\$ 11,532,256	Capital Stock and Retained Earnings	\$
Water	25,574,791	Common Stock and Paid In Capital	\$ 6,721,566
Sewer		Retained Earnings	6,519,439
Total	\$ 37,107,047	Total	\$ 13,241,005
Accumulated Depreciation-Water	(1,925,249)	Current and Accrued Liabilities	
Accumulated Depreciation-Sewer	(2,856,648)	Accounts Payable-Trade	106,053
Total	\$ (4,781,897)	Taxes Accrued	58,445
		Customer Deposits	183,354
		Customer Deposits - Interest	245,763
		A/P - Assoc. Companies	3,279,453
Net Utility Plant	\$ 32,325,150	Total	\$ 3,873,068
Plant Acquisition Adjustment-Water	(217,337)	Advances In Aid of Construction	
Plant Acquisition Adjustment-Sewer	(265,382)	Water	800
Total	\$ (482,719)	Sewer	800
		Total	\$ 1,600
Construction Work In Process-Water	2,401	Contributions In Aid of Construction	
Construction Work In Process-Sewer	431,762	Water	4,470,535
Total	\$ 434,164	Sewer	10,724,811
		Total	\$ 15,195,347
Current Assets		Accumulated Deferred Income Tax	
Cash	849,097	Unamortized IRC	285,286
Accounts Receivable - Net	921,816	Deferred Tax - Federal	1,597,390
Other Current Assets	12,676	Deferred Tax - State	(75,300)
Total	\$ 1,783,589		
Deferred Charges	58,211	Total	\$ 1,807,376
TOTAL ASSETS	\$ 34,118,395	TOTAL LIABILITIES AND OTHER CREDITS	\$ 34,118,395

	Per Books	Pro Forma Adjustments	Pro Forma Present	Proposed Increase	Pro Forma Proposed
Operating Revenues					
Service Revenues - Water	1,820,651	0	1,820,651	180,854	2,001,504
Service Revenues - Sewer	3,760,081	0	3,760,081	1,634,674	5,394,755
Miscellaneous Revenues	106,827	0	106,827	0	106,827
Uncollectible Accounts	(42,869)	0	(42,869)	(14,040) [b]	(56,909)
Total Operating Revenues	5,644,689	0	5,644,689	1,801,488	7,446,177
Maintenance Expenses					
Salaries and Wages	756,849	236,761 [c]	993,610	0	993,610
Purchased Power	422,749	24,266 [k]	447,015	0	447,015
Purchased Sewer & Water	(465)	0 [k]	(465)	0	(465)
Maintenance and Repair	1,639,682	94,118 [k]	1,733,800	0	1,733,800
Maintenance Testing	42,738	2,453 [k]	45,191	0	45,191
Meter Reading	41,617	2,389 [k]	44,006	0	44,006
Chemicals	215,478	12,368 [k]	227,846	0	227,846
Transportation	63,939	16,435 [m]	80,373	0	80,373
Operating Exp. Charged to Plant	(267,522)	(83,688) [k]	(351,210)	0	(351,210)
Outside Services - Other	131,127	7,527 [k]	138,653	0	138,653
Total	3,046,191	312,629	3,358,820	0	3,358,820
General Expenses					
Salaries and Wages	290,536	35,479 [c]	326,015	0	326,015
Office Supplies & Other Office Exp.	166,391	9,551 [k]	175,942	0	175,942
Regulatory Commission Exp.	101,626	(60,482) [d]	41,144	0	41,144
Pension & Other Benefits	206,536	68,859 [c]	275,394	0	275,394
Rent	3,455	198 [k]	3,653	0	3,653
Insurance	149,328	8,571 [k]	157,900	0	157,900
Office Utilities	65,884	3,782 [k]	69,666	0	69,666
Miscellaneous	48,378	2,777 [k]	51,155	0	51,155
Total	1,032,134	68,734	1,100,869	0	1,100,869
Depreciation	589,941	79,436 [f]	669,377	0	669,377
Extraordinary Retirement	0	29,924 [f]	29,924	0	29,924
Taxes Other Than Income	464,537	21,371 [g]	485,908	32,680 [g]	518,588
Income Taxes - Federal	(93,708)	(57,716) [h]	(151,424)	571,325 [h]	419,901
Income Taxes - State	(23,876)	436 [h]	(23,440)	88,440 [h]	65,000
Amortization of ITC	(8,852)	0	(8,852)	0	(8,852)
Amortization of CIAC	(252,590)	15,286 [f]	(237,304)	0	(237,304)
Total	675,452	88,737	764,190	692,445	1,456,635
Total Operating Expenses	4,753,778	470,101	5,223,879	692,445	5,916,323
Net Operating Income	\$ 890,911	\$ (470,101)	\$ 420,811	\$ 1,109,043	\$ 1,529,853
Interest During Construction	(17,756)	17,756 [i]	0	0	0
Interest on Debt	735,428	395 [j]	735,823	0	735,823
Net Income	\$ 173,240	\$ (488,252)	\$ (315,012)	\$ 1,109,043	\$ 794,031

	Per Books	Pro Forma Adjustments	Pro Forma Present	Proposed Increase	Pro Forma Proposed
Operating Revenues					
Service Revenues - Water	\$ 1,820,651		\$ 1,820,651	\$ 180,854 [a]	\$ 2,001,504
Service Revenues - Sewer			0		0
Miscellaneous Revenues	31,199		31,199		31,199
Uncollectible Accounts	(13,705)		(13,705)	(1,361) [b]	(15,066)
Total Operating Revenues	1,838,144	0	1,838,144	179,492	2,017,637
Maintenance Expenses					
Salaries and Wages	279,731	87,492 [c]	367,223	0	367,223
Purchased Power	91,873	5,273 [k]	97,146	0	97,146
Purchased Water	59,618	0	59,618		59,618
Maintenance and Repair	127,483	7,318 [k]	134,801	0	134,801
Maintenance Testing	5,293	304 [k]	5,597	0	5,597
Meter Reading	41,617	2,389 [k]	44,006		44,006
Chemicals	79,641	4,571 [k]	84,212	0	84,212
Transportation	23,632	4,884 [m]	28,516	0	28,516
Operating Exp. Charged to Plant	(98,876)	(30,926) [k]	(129,802)	0	(129,802)
Outside Services - Other	48,464	2,782 [k]	51,246	0	51,246
Total	658,475	84,088	742,563	0	742,563
General Expenses					
Salaries and Wages	107,382	13,108 [c]	120,490	0	120,490
Office Supplies & Other Office Exp.	61,498	3,530 [k]	65,028	0	65,028
Regulatory Commission Exp.	37,561	(22,354) [d]	15,207	0	15,207
Pension & Other Benefits	76,336	25,446 [c]	101,782	0	101,782
Rent	1,277	73 [k]	1,350	0	1,350
Insurance	55,192	3,168 [k]	58,360	0	58,360
Office Utilities	24,351	1,398 [k]	25,748	0	25,748
Miscellaneous	17,880	1,026 [k]	18,907	0	18,907
Total	381,477	25,395	406,872	0	406,872
Depreciation	198,337	3,864 [f]	202,201		202,201
Extraordinary Retirement		29,924	29,924	0	29,924
Taxes Other Than Income	155,787	7,897 [g]	163,684	3,255 [g]	166,940
Income Taxes - Federal	(29,958)	93,401 [h]	63,442	56,925 [h]	120,367
Income Taxes - State	(7,633)	17,454 [h]	9,821	8,812 [h]	18,633
Amortization of ITC	(2,631)		(2,631)		(2,631)
Amortization of CIAC	(72,649)	8,003 [f]	(64,646)		(64,646)
Total	241,252	160,543	401,796	68,992	470,788
Total Operating Expenses	1,281,205	270,026	1,551,231	68,992	1,620,223
Net Operating Income	\$ 556,940	\$ (270,026)	\$ 286,914	\$ 110,501	\$ 397,414
Interest During Construction	(5,277)	5,277 [i]	0	0	0
Interest on Debt	219,188	(28,134) [j]	191,054	0	191,054
Net Income	\$ 343,029	\$ (247,169)	\$ 95,860	\$ 110,501	\$ 206,360

	Per Books	Pro Forma Adjustments	Pro Forma Present	Proposed Increase	Pro Forma Proposed
Operating Revenues					
Service Revenues - Water					
Service Revenues - Sewer	\$ 3,760,081	\$ -	\$ 3,760,081	\$ 1,634,674 [a]	\$ 5,394,755
Miscellaneous Revenues	75,628		75,628		75,628
Uncollectible Accounts	(29,164)		(29,164)	(12,679) [b]	(41,843)
Total Operating Revenues	3,806,545	0	3,806,545	1,621,995	5,428,540
Maintenance Expenses					
Salaries and Wages	477,117	149,269 [c]	626,387	0	626,387
Purchased Power	330,876	18,992 [k]	349,868	0	349,868
Purchased Sewer & Water	(60,083)	0	(60,083)		(60,083)
Maintenance and Repair	1,512,199	86,800 [k]	1,598,999		1,598,999
Maintenance Testing	37,445	2,149 [k]	39,594	0	39,594
Meter Reading	0	0 [k]	0		0
Chemicals	135,837	7,797 [k]	143,634	0	143,634
Transportation	40,307	11,550 [m]	51,857	0	51,857
Operating Exp. Charged to Plant	(168,646)	(52,762) [k]	(221,408)	0	(221,408)
Outside Services - Other	82,662	4,745 [k]	87,407	0	87,407
Total	2,387,716	228,541	2,616,257	0	2,616,257
General Expenses					
Salaries and Wages	183,154	22,371 [c]	205,525	0	205,525
Office Supplies & Other Office Exp.	104,893	6,021 [k]	110,914	0	110,914
Regulatory Commission Exp.	64,065	(38,128) [d]	25,937	0	25,937
Pension & Other Benefits	130,200	43,413 [c]	173,613	0	173,613
Rent	2,178	125 [k]	2,303	0	2,303
Insurance	94,137	5,403 [k]	99,540	0	99,540
Office Utilities	41,533	2,384 [k]	43,917	0	43,917
Miscellaneous	30,497	1,751 [k]	32,248	0	32,248
Total	650,657	43,339	693,997	0	693,997
Depreciation	391,605	75,572 [f]	467,176		467,176
Extraordinary Retirement	0	0	0		0
Taxes Other Than Income	308,750	13,474 [g]	322,224	29,424 [g]	351,648
Income Taxes - Federal	(63,749)	(151,117) [h]	(214,866)	514,401 [h]	299,534
Income Taxes - State	(16,243)	(17,018) [h]	(33,261)	79,629 [h]	46,368
Amortization of ITC	(6,221)		(6,221)		(6,221)
Amortization of CIAC	(179,941)	7,283 [f]	(172,658)		(172,658)
Total	434,200	(71,806)	362,394	623,453	985,847
Total Operating Expenses	3,472,573	200,075	3,672,648	623,453	4,296,101
Net Operating Income	\$ 333,972	\$ (200,075)	\$ 133,897	\$ 998,542	\$ 1,132,439
Interest During Construction	(12,479)	12,479 [i]	0	0	0
Interest on Debt	516,240	28,529 [j]	544,769	0	544,769
Net Income	\$ (169,789)	\$ (241,083)	\$ (410,872)	\$ 998,542	\$ 587,670

- [a] Revenues are annualized at proposed rates using the average test year customers.
- [b] Uncollectible Accounts are adjusted based on the percentage of uncollectible accounts to revenues in the test year applied to pro forma proposed revenues.
- [c] Salaries, Wages and Benefits are adjusted to annualize as of 6/30/04
- [d] Regulatory Commission Expense has been adjusted to reflect the cost of the current rate case over 3 years.
- [f] Depreciation and Amortization Expense are annualized.
- [g] Taxes Other than Income is adjusted for annualized payroll taxes, Utility Commission Taxes, and Gross Receipts Taxes.
- [h] Income Taxes are computed on taxable income at current rates.
- [i] AFUDC is eliminated for rate making purposes.
- [j] Interest on Debt has been computed using a 59.23% / 40.77% debt / equity ratio and a 7.28% cost of debt.
- [k] 5.74% cost of living increase to update year-end 2003 costs to present
Percentage based on the Consumer Price Index for Water and Sewerage Maintenance
as calculated by the Bureau of Labor Statistics, October 2004
- [l] Commission-ordered adjustment to account for extraordinary retirement of wells
- [m] Transportation expense related to new vehicles purchased for additional employees

	Per Books	Pro Forma Adjustments	As Adjusted	Proposed Increase	Effect of Proposed Increase
Net Operating Income	<u>556,940</u>	<u>(270,026)</u>	<u>286,914</u>	<u>110,501</u>	<u>397,414</u>
Gross Plant In Service	\$ 11,532,256		\$ 11,532,256	0	11,532,256
Removal of Wells	0	(277,315) [e]	(277,315)	0	(277,315)
Excess Book Value	0	(279,819) [d]	(279,819)	0	(279,819)
Accumulated Depreciation	<u>(1,925,249)</u>	<u>18,451</u> [f]	<u>(1,906,798)</u>	<u>0</u>	<u>(1,906,798)</u>
Net Plant In Service	9,607,006	(538,682)	9,068,324	0	9,068,324
Cash Working Capital	149,467	14,673 [a]	164,140	0	164,140
Contributions In Aid of Construction	(4,470,535)	0	(4,470,535)	0	(4,470,535)
Accumulated Deferred Income Taxes	(587,068)	0	(587,068)	0	(587,068)
Customer Deposits	(67,768)	0	(67,768)	0	(67,768)
Plant Acquisition Adjustment	(217,337)	0	(217,337)	0	(217,337)
Water Service Corporation	48,206	(2,513) [e]	45,693	0	45,693
Plant Sample Items	0	(2,707) [e]	(2,707)	0	(2,707)
Capitalized Time Adjustment	0	131,835 [g]	131,835	0	131,835
Pro Forma Plant Capitalized after 6/30/04	0	36,312	36,312	0	36,312
Pro-Forma Vehicles for New Employees	0	41,014 [h]	41,014	0	41,014
Pro Forma Plant	<u>0</u>	<u>291,348</u> [b]	<u>291,348</u>	<u>0</u>	<u>291,348</u>
Total Rate Base	\$ <u>4,461,972</u>	\$ <u>(28,721)</u>	\$ <u>4,433,251</u>	\$ <u>0</u>	\$ <u>4,433,251</u>
Return on Rate Base	<u>12.48%</u>		<u>6.47%</u>		<u>8.96%</u>

[a] Working Capital is calculated based on pro forma expenses.

[b] The Return on Rate Base shown above is provided solely as a matter of information and convenience for the Commission and is not intended to reflect a request for this specific return on rate base (or any return on equity). Applicant will make its request for a return on rate base (and return on equity) by way of evidence to be introduced at hearing.

[c] The Return on Rate Base shown above is provided solely as a matter of information and convenience for the Commission and is not intended to reflect a request for this specific return on rate base (or any return on equity). Applicant will make its request for a return on rate base (and return on equity) by way of evidence to be introduced at hearing.

[d] Adjustment to recognize removal of Excess Book Value from Rate Base for ratemaking purposes

[e] Rate Base adjustments made per Docket No. 2000-207-W/S - Order No. 2001-887
Adjustment includes disallowed Plant Sample Items and allocated WSC mail machine

[f] Adjustment to Accumulated Depreciation for Removal of Wells, EBV and post-6/30/04 Plant Additions

[g] Pro-Forma capitalized time

[h] Pro-Forma Vehicles for additional employees

Water Plant by Categories:

06/30/04

3011001 ORGANIZATION	\$ 82,784
3021002 FRANCHISES	15,808
3033020 LAND & LAND RIGHTS (Pump Pit)	500
3036010 LAND & LAND RIGHTS	179,689
3042011 STRUCTURES & IMPROVE.(Source Su	5,763
3043021 STRUCTURES & IMPROVE.(PUMP.PL	398,376
3044031 STRUCTURES & IMPROVE.(WTR. T.P	129,135
3072014 WELLS & SPRINGS	1,299,866
3113025 ELECTRIC PUMPING EQUIPMENT	1,076,673
3204032 WATER TREATMENT EQUIPMENT	583,530
3305042 DISTRIB. RESERVOIRS & STANDPIPI	1,068,231
3315043 TRANSMISSION & DISTRIB. MAINS	4,346,235
3335045 SERVICE LINES	1,204,943
3345046 METERS	300,330
3345047 METER INSTALLATIONS	32,190
3355048 HYDRANTS	190,019
3391088 UNIFORMS	819
3406150 COMP SYS AMORTIZATION	(761)
3406160 MICRO SYS AMORTIZATION	(586)
1041000 UTIL PLANT ACQUIRED/DISPOSED	40,963
3406090 OFFICE STRUCTURES & IMPROVEM	188,883
3406091 OFFICE FURNITURE & EQUIPMENT	63,144
3446095 LABORATORY EQUIPMENT	29,584
3466094 TOOLS, SHOP & MISC. EQUIPMENT	116,464
3466097 COMMUNICATION EQUIPMENT	37,418

Sub-Total	\$ 11,389,999
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3511001 ORGANIZATION	0
3537002 LAND & LAND RIGHTS	0
3542011 LIFT STATION	0
3547003 BUILDINGS & STRUCTURES	0
3547012 SPRAY IRRIGATION FACILITIES	0
3602006 SEWAGE SERVICE LINES	0
3602007 FORCE OR VACUUM MAINS	0
3612008 SEWER MAINS	0
3612010 MANHOLES	0
3804004 SEWER LAGOONS	0
3804005 SEWAGE TREATMENT PLANT	0
3824009 OUTFALL LINES	0
3907091 OFFICE FURNITURE & EQUIPMENT	26
3937094 TOOLS, SHOP & MISC. EQUIPMENT	5,162
3967097 COMMUNICATION EQUIPMENT	81

3917000 Transportation	121,257
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3406010 Mainframe Computer	3,029
3406020 Mini Computers	10,970
3406110 Comp Sys Cost	1,109
3406120 Micro Sys Cost	622

Total Plant	\$ 11,532,256
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Exhibit B
Page 9

Carolina Water Service of South Carolina
Sewer Operations
Rate Base and Rate of Return
Test Year Ended June 30, 2004

Schedule C
Page 3 of 3

	Per Books	Pro Forma Adjustments	As Adjusted	Proposed Increase	Effect of Proposed Increase
Net Operating Income	<u>333,972</u>	<u>(200,075)</u>	<u>133,897</u>	<u>998,542</u>	<u>1,132,439</u>
Gross Plant In Service	\$ 25,574,791		\$ 25,574,791	0	25,574,791
Removal of Wells	0	0 [e]	0	0	0
Excess Book Value	0	(661,698) [d]	(661,698)	0	(661,698)
Accumulated Depreciation	<u>(2,856,648)</u>	<u>17,078</u> [f]	<u>(2,839,570)</u>	0	<u>(2,839,570)</u>
Net Plant In Service	22,718,143	(644,620)	22,073,523	0	22,073,523
Cash Working Capital	418,390	35,670 [a]	454,060	0	454,060
Contributions In Aid of Construction	(10,724,811)	0	(10,724,811)	0	(10,724,811)
Accumulated Deferred Income Taxes	(935,022)	0	(935,022)	0	(935,022)
Customer Deposits	(115,586)	0	(115,586)	0	(115,586)
Plant Acquisition Adjustment	(265,382)	0	(265,382)	0	(265,382)
Water Service Corporation	82,227	(5,944) [e]	76,283	0	76,283
Plant Sample Items	0	(6,401) [e]	(6,401)	0	(6,401)
Capitalized Time Adjustment	0	224,861 [g]	224,861	0	224,861
Pro Forma Plant Capitalized after 6/30/04	0	135,572	135,572	0	135,572
Pro-Forma Vehicles for New Employees	0	96,986 [h]	96,986	0	96,986
Pro Forma Plant	<u>0</u>	<u>1,626,837</u> [b]	<u>1,626,837</u>	<u>0</u>	<u>1,626,837</u>
Total Rate Base	\$ <u>11,177,958</u>	\$ <u>1,462,962</u>	\$ <u>12,640,920</u>	\$ <u>0</u>	\$ <u>12,640,920</u>
Return on Rate Base	<u>2.99%</u>		<u>1.06%</u>		<u>8.96%</u>

[a] Working Capital is calculated based on pro forma expenses.

[b] Pro Forma Plant is adjusted for planned additional capital investments.

[c] The Return on Rate Base shown above is provided solely as a matter of information and convenience for the Commission and is not intended to reflect a request for this specific return on rate base (or any return on equity). Applicant will make its request for a return on rate base (and return on equity) by way of evidence to be introduced at hearing.

[d] Adjustment to recognize removal of Excess Book Value from Rate Base for ratemaking purposes

[e] Rate Base adjustments made per Docket No. 2000-207-W/S - Order No. 2001-887
Adjustment includes disallowed Plant Sample Items and allocated WSC mail machine

[f] Adjustment to Accumulated Depreciation for Removal of Wells, EBV and post-6/30/04 Plant Additions

[g] Pro-Forma capitalized time

[h] Pro-Forma Vehicles for additional employees

Sewer Plant by Categories:

06/30/04

3391088 UNIFORMS	1,397
3406150 COMP SYS AMORTIZATION	(1,298)
3406160 MICRO SYS AMORTIZATION	(1,000)
1041000 UTIL PLANT ACQUIRED/DISPOSED	69,868
3406090 OFFICE STRUCTURES & IMPROVEM	322,165
3406091 OFFICE FURNITURE & EQUIPMENT	107,699
3446095 LABORATORY EQUIPMENT	50,459
3466094 TOOLS, SHOP & MISC. EQUIPMENT	198,645
3466097 COMMUNICATION EQUIPMENT	63,821
Sub-Total	\$ 811,755
3511001 ORGANIZATION	28,810
3537002 LAND & LAND RIGHTS	111,048
3542011 LIFT STATION	2,949,766
3547003 BUILDINGS & STRUCTURES	62,212
3547012 SPRAY IRRIGATION FACILITIES	8,767
3602006 SEWAGE SERVICE LINES	1,677,225
3602007 FORCE OR VACUUM MAINS	1,714,785
3612008 SEWER MAINS	9,036,102
3612010 MANHOLES	1,101,221
3804004 SEWER LAGOONS	502,582
3804005 SEWAGE TREATMENT PLANT	7,238,469
3824009 OUTFALL LINES	89,413
3907091 OFFICE FURNITURE & EQUIPMENT	45
3937094 TOOLS, SHOP & MISC. EQUIPMENT	8,804
3967097 COMMUNICATION EQUIPMENT	139
3917000 Transportation	206,819
3406010 Mainframe Computer	5,167
3406020 Mini Computers	18,711
3406110 Comp Sys Cost	1,891
3406120 Micro Sys Cost	1,061
Total Plant	\$ 25,574,791

WATER

Bill codes by area		Gallonage	Usage Charge	Units	BFC	Revenues	
30001	5/8" Res Water	99,748,350	3.24	17,292	10.00	\$	496,105
30002	5/8" Res Water Dist	188,741,828	1.85	32,808	10.00	\$	677,252
30003	5/8" Res. Under Const.	57,710	3.24	12	10.00	\$	307
30006	5/8" Res Water (per unit)	13,276,880	1.85	2,532	10.00	\$	49,882
30008	5/8" Coml Water Dist	2,593,505	1.85	312	10.00	\$	7,918
30009	5/8" Coml Water	640,980	3.24	144	10.00	\$	3,517
30010	1" Coml Water	14,950	3.24	12	25.00	\$	348
30011	1" Coml Water Dist	1,501,120	1.85	48	25.00	\$	3,977
30016	2" Coml Water Dist	6,189,590	1.85	120	80.00	\$	21,051
30017	3" Coml Water Dist	1,695,600	1.85	12	160.00	\$	5,057
46001	5/8" Res Water	101,366,139	1.85	20,592	10.00	\$	393,447
46005	2" Res Water	17,509,290	1.85	7,680	10.00	\$	109,192
46006	5/8" Res Flat Rate	0	0.00	12	10.00	\$	120
46009	5/8" Coml Water	6,733,200	1.85	792	10.00	\$	20,376
46010	1" Coml Water	3,457,146	1.85	216	25.00	\$	11,796
46012	1.5" Coml Water	5,666,700	1.85	144	50.00	\$	17,683
46013	2" Coml Water	14,865,970	1.85	240	80.00	\$	46,702
46014	3" Coml Water	4,276,500	1.85	48	160.00	\$	15,592
Total		468,335,458		83,016			1,880,323

per t/b	\$	1,820,651
difference \$	\$	59,672
difference %		3.28%

SEWER

Bill code	Gallons	Usage Charge	Units	Rate	Revenues
All Subs:					
29521 Residential Sewer			1,800	30.33	\$ 54,594
29552 Salem Church Road - New Account Charge			0	13.50	\$ -
30021 5/8" Res Sewer			49,034	30.33	\$ 1,487,186
30023 2" Commercial-per SFE			2,376	30.33	\$ 72,064
30024 5/8" Res Sewer Collection			6,434	19.38	\$ 124,681
30041 5/8" Res Sewer			49,848	28.86	\$ 1,438,613
30042 5/8" Mobile Home Sewer			540	21.64	\$ 11,686
30043 5/8" Coml Sewer-per SFE			1,022	28.86	\$ 29,495
46021 5/8" Res Sewer			27,144	19.38	\$ 526,051
46022 County Sewer Treatment			48	19.38	\$ 930
46023 5/8" Coml Sewer Collection-per SFE			1,128	19.38	\$ 21,861
30045 Pumping Charge (LETTS Tanks)			24	150.00	\$ 3,600
Total			139,397		\$ 3,770,761

per t/b	\$	3,760,081
difference \$	\$	10,680
difference %		0.28%

WATER

Bill code		Gallonage	Usage Charge	Units	BFC		Revenues
<u>All Subs:</u>							
30001	5/8" Res Water	101,461,167	3.32	17,985	10.25	\$	521,296
30002	5/8" Res Water Dist	192,501,618	1.90	34,122	10.25	\$	714,785
30003	5/8" Res. Under Const.	70,410	3.32	12	10.25	\$	362
30006	5/8" Res Water (per unit)	14,856,562	1.90	2,633	10.25	\$	55,164
30008	5/8" Coml Water Dist	1,830,666	1.90	324	10.25	\$	6,798
30009	5/8" Coml Water	844,923	3.32	150	10.25	\$	4,341
30010	1" Coml Water	70,410	3.32	12	25.62	\$	554
30011	1" Coml Water Dist	281,641	1.90	50	25.62	\$	1,813
30016	2" Coml Water Dist	704,102	1.90	125	82.00	\$	11,569
30017	3" Coml Water Dist	70,410	1.90	12	164.00	\$	2,180
46001	5/8" Res Water	120,823,986	1.90	21,417	10.25	\$	448,636
46005	2" Res Water	45,062,559	1.90	7,988	10.25	\$	167,324
46006	5/8" Res Flat Rate	70,410	0.00	12	10.25	\$	128
46009	5/8" Coml Water	4,647,076	1.90	824	10.25	\$	17,255
46010	1" Coml Water	1,267,384	1.90	225	25.62	\$	8,160
46012	1.5" Coml Water	844,923	1.90	150	51.25	\$	9,278
46013	2" Coml Water	1,408,205	1.90	250	82.00	\$	23,139
46014	3" Coml Water	281,641	1.90	50	164.00	\$	8,721
All Meters							
Total		487,098,096		86,342		\$	2,001,504

Difference	\$	121,182
% Increase		6.66%

SEWER

Bill code

All Subs:

29521 Residential Sewer
30021 5/8" Res Sewer
30023 2" Commercial-per SFE
30024 5/8" Res Sewer Collection
30041 5/8" Res Sewer
30042 5/8" Mobile Home Sewer
30043 5/8" Coml Sewer-per SFE
46021 5/8" Res Sewer
46022 County Sewer Treatment
46023 5/8" Coml Sewer Collection-per SFE
30045 Pumping Charge (LETTS Tanks)

Total

Units	Rate	Revenues
1,872	40.92	\$ 76,606
50,998	40.92	\$ 2,086,820
2,471	40.92	\$ 101,120
6,691	26.15	\$ 174,953
51,845	40.92	\$ 2,121,485
562	29.20	\$ 16,397
1,063	40.92	\$ 43,495
28,231	26.15	\$ 738,155
50	26.15	\$ 1,305
1,173	26.15	\$ 30,675
25	150.00	\$ 3,744
143,109		\$ 5,394,755

Carolina Water Service of South Carolina

Schedule F

	<u>Current Customers</u>	<u>Projected Customers</u>
Water	5,733	5,963
Sewer	9,779	10,171

BOARD:
Elizabeth M. Hagood
Chairman

Mark B. Kent
Vice Chairman

Howard L. Brilliant, MD
Secretary



C. Earl Hunter, Commissioner

Promoting and protecting the health of the public and the environment.

November 29, 2004

Exhibit C

BOARD:
Carl L. Brazell

Louisiana W. Wright

L. Michael Blackmon

Coleman F. Buckhouse, MD

Mr. John M.S. Hoefer
Willoughby & Hoefer, P.A
PO Box 8416
Columbia, SC 29202-8416

RE: Your letter of November 24, 2004 (copy enclosed)
List of CWS Water and Wastewater Facilities

Dear Mr. Hoefer:

These facilities all have valid DHEC permits under R.61-9 and R.61-58.

I can be reached at 803-898-4157 or at debessjp@dhec.sc.gov.

Sincerely,

Jeffrey P. deBessonnet, P.E., Director
Water Facilities Permitting Division

WILLOUGHBY & HOEFER, P.A.

ATTORNEYS & COUNSELORS AT LAW
1022 CALHOUN STREET (SUITE 302)
P.O. BOX 8416
COLUMBIA, SOUTH CAROLINA 29202-8416

RECEIVED

NOV 29 2004

WATER FACILITIES
PERMITTING DIVISION

MITCHELL M. WILLOUGHBY
JOHN M.S. HOEFER
ELIZABETH ZECK*
PAIGE J. GOSSETT
RANDOLPH R. LOWELL
K. CHAD BURGESS
NOAH M. HICKS II**

November 24, 2004

AREA CODE 803
TELEPHONE 252-3300
TELECOPIER 256-8062

*ALSO ADMITTED IN TX
**ALSO ADMITTED IN VA

VIA TELECOPIER NO. 898-4215 & U.S. MAIL

Mr. Jeff DeBessonnet, PE
Director
Water Facilities Permitting Division
SC Department of Health and Environmental Control
2600 Bull Street
Columbia, South Carolina 29201-1708

RE: Application of Carolina Water Service, Inc. for an increase in water
and sewer service rates before the Public Service Commission of South
Carolina

Dear Mr. DeBessonnet:

This firm represents Carolina Water Service, Inc. ("CWS") in connection with a request for rate relief from the Public Service Commission of South Carolina. The Public Service Commission's rules, specifically 26 S.C. Code Ann. Regs. RR.103-512.4.A (Supp. 2004) and 103-712.4.A (1976, as amended) require an applicant for rate relief to provide, among other things, a recent letter of approval from the Department of Health and Environmental Control ("DHEC").

In the past, you have provided such a letter for submission to the Public Service Commission, confirming that the utility holds all necessary DHEC permits and describing its authorized plant capacity and current flows (where appropriate). For your reference, attached you will find a list of the water and sewer systems permitted by DHEC for operation by CWS.

We would appreciate your once again providing us with a letter regarding the status of USSC. If you have any questions, or if you need any additional information, please do not hesitate to contact us.

Sincerely,

WILLOUGHBY & HOEFER, P.A.


John M.S. Hoefer

JMSH/twb

cc: Mr. Steven M. Lubertoizzi
Mr. Daniel A. Baratz
Mr. Bruce T. Haas

System Name	NPDES #
Friarsgate	SC0036137
Glenn Village	SC0030651
Glenn Village II	SC0030651
I-20 WWTP	SC0035564
Kings Grant	SC0021911
Lincolnshire	SC0030732
Oakland Plantation	SC0030678
Pocalla	SC0030724
Roosevelt Gardens	SC0029645
Smallwood	ND0007994
Teal on the Ashley	SC0030350
Watergate	SC0027162

System Name	Drinking Water System #
Blue Ridge Terrace / Heatherwood	3250015
Falcon Ranches	3250016
Glenn Village II	3250058
Harborside	3270302
Hidden Valley Estates	3250073
Hunters Glenn	0250005
I-20 Water	3250012
Idlewood	3250017
Indian Fork / Forty Love	3250066
Indian Pines	3250051
Mallard Cove	3250076
Peachtree Acres	3250045
Pocalla	4350007
Riverhills	4650006
Rock Bluff	4550001
Rollingwood	3250052
Smallwood	3250064
Stonegate	4050014
Teal on the Ashley	1850007
The Landings	3250063
Watergate	3270300
Westside Terrace	3250002

Utilities, Inc and Affiliated Companies

CAROLINA WATER SERVICE INC
PO BOX 240908
CHARLOTTE, NC 28224-0908



Acct # 00462 [REDACTED]
Due Date 01/08/05
Please Pay \$53.59

[REDACTED]
29063

CAROLINA WATER SERVICE INC
PO BOX 240908
CHARLOTTE, NC 28224-0908

To insure proper credit, return this portion. Please do not staple, clip, or tape.

Customer Service Information Please Retain for Your Records
Remittance Address: CAROLINA WATER SERVICE INC
PO BOX 240908
CHARLOTTE, NC 28224-0908
For Service or Billing Inquiries Call: 803-796-9545 OR 800-367-4314
To Pay By Credit or Debit Card, Call 1-877-527-7852.
A Convenience Fee Will Be Charged.

Account Information

Description of Charges

Account # [REDACTED]
Service Addr. [REDACTED]
Bill Date 12/14/04 Due Date 01/08/05
Prior Read 11/05/04 176420
Current Read 12/03/04 180230
Usage 3810
of days this period 28
Average daily usage 136
Average daily water cost \$0.83
Average daily sewer cost \$0.69
Last Payment 11/30/04 \$58.16

PRIOR BALANCE	\$0.00
WATER	\$22.34
SEWAGE COLLECTION	\$19.38
COUNTY TREATMENT CHARGE	\$11.00
SC DHEC FEE	\$0.87

1 1/2% PER MONTH WILL BE ADDED TO
ALL AMOUNTS NOT PAID BY THE DUE DATE.

PLEASE PAY

\$53.59

IN THE EVENT OF A SEWER BLOCKAGE,
PLEASE CALL OUR OFFICE BEFORE YOU CALL A PLUMBER.
803-796-9545 OR 1-800-367-4314
OUR EXPERIENCED OPERATIONS STAFF
IS ON CALL 7 DAYS A WEEK/24 HOURS A DAY
TO RESPOND TO YOUR CONCERNS.

TO HELP US MAINTAIN SECURITY SURROUNDING YOUR DRINKING WATER SYSTEMS,
PLEASE CALL OUR OFFICE AND THE POLICE IF YOU NOTICE SUSPICIOUS ACTIVITY.

PAYMENT OPTIONS

**** AVOID PAYING FEES TO ONLINE BILL PAYMENT CENTERS ****

WE CAN AUTOMATICALLY DRAFT YOUR PAYMENT FROM YOUR SAVINGS OR CHECKING
ACCOUNT FREE OF CHARGE. CALL OUR CUSTOMER SERVICE DEPARTMENT FOR DETAILS.
TO PAY BY VISA, MASTERCARD OR DEBIT CARD, CALL 1-877-527-7852. IN ADDITION,
YOU MAY PAY OVER THE INTERNET BY ACCESSING PAYBYINTERNET.COM. YOU MUST
INDICATE THAT YOU ARE MAKING PAYMENT TO UTILITIES, INC. OVER THE INTERNET.
A CONVENIENCE FEE WILL BE CHARGED FOR CREDIT CARD AND INTERNET PAYMENTS.

Rate Schedule Available Upon Request